

UNIVERSITY OF ALBERTA  
FACULTY OF BUSINESS ADMINISTRATION  
AND COMMERCE  
FRANCIS G. WINSPEAR COLLECTION



Clearport Petroleums Ltd.

1981 Annual Report








HISTORICAL COMMENT ON FLAGS OVER MILK RIVER, ALBERTA

1682-1762 — FRANCE  
1762-1800 — SPAIN  
1800-1803 — FRENCH REPUBLIC  
1803-1818 — U.S.A.  
1818-1869 — HUDSON BAY COMPANY  
1869-1945 — BRITISH EMPIRE  
1945-1965 — CANADA RED ENSIGN  
1965-1981 — MAPLE LEAF

Clearport Petroleums Ltd.

1981 Annual Report





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(INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ALBERTA, CANADA)

## Annual General Meeting of Shareholders

December 18, 1981

### PROXY STATEMENT AND INFORMATION CIRCULAR

Management of Clearport Petroleum Ltd. (the "Company") solicits the enclosed Proxy for use at the 1981 Annual General Meeting of Shareholders of the Company to be held at the offices of the Company at 522, 550 - 6th Avenue S.W., in the City of Calgary, Province of Alberta, Canada, at 10:00 o'clock a.m. (Mountain Standard Time) on December 18th, 1981 and at any adjournments thereof for the purposes set forth in the Proxy. Shareholders may revoke their proxy at any time prior to the exercise thereof. A proxy, when executed and not so revoked, will be voted in accordance with the instructions thereon.

Solicitation of proxies will be primarily by mail but may also be by telephone, telegraph or oral communications by the directors, officers and regular employees of the Company, at no additional compensation. The cost of soliciting proxies will be borne by the Company.

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Holders of the Company's common shares of record at the close of business on November 12, 1981 will be entitled to notice of and to vote one vote per share on all matters placed before the Meeting. Two or more shareholders personally present who were shareholders as at November 12, 1981 will constitute a quorum. Shareholders are not entitled to cumulate their votes in the election of directors. On November 11, 1981 there were 1,888,103 shares of the Company's common shares without nominal or par value outstanding. To the knowledge of the directors and senior officers of the Company, Robert M. Ross is the only person or company which beneficially owns, directly or indirectly, common shares of the Company carrying more than 10% of the voting rights attached to all equity shares of the Company. Robert M. Ross owns of record and beneficially 737,846 shares of the Company which constitutes 39.08% of the outstanding shares of the Company.

### ELECTION OF DIRECTORS

At this Meeting three (3) directors are to be elected, each director to hold office until the Annual General Meeting of Shareholders of the Company in 1982 or until his successor has been elected and qualified. It is intended that votes will be cast pursuant to the proxies for the election of the following nominees as directors, all of whom are presently directors of the Company. The present directors have been directors since the incorporation of the Company on March 8, 1972.

(INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ALBERTA, CANADA)

## Notice of Annual General Meeting of Shareholders

**December 18, 1981**

To: The Shareholders of  
Clearport Petroleums Ltd.

NOTICE is hereby given that the Annual General Meeting of Shareholders of Clearport Petroleums Ltd. (hereinafter called "the Company") will be held at the offices of the Company at 522, 550 - 6th Avenue S.W., in the City of Calgary, Province of Alberta, on Friday, the 18th day of December, 1981 A.D., at 10:00 o'clock a.m. (Mountain Standard Time), for the following purposes:

1. To receive and consider the Report of the Directors, the financial statement of the Company to June 30, 1981 and the auditors' report thereon.
2. To elect directors of the Company for the ensuing year and until their successors shall be duly elected and qualified.
3. To appoint Miller, McClelland & Co. as Auditors of the Company.
4. To hold annual meeting of Clearport Petroleums Inc., which is the United States wholly-owned subsidiary of Clearport Petroleums Ltd.
5. To transact such other business as may properly come before the meeting or any adjournment thereof.

The share transfer books of the Company will not be closed, but in lieu thereof, the Board of Directors has fixed the close of business on the 12th day of November, 1981 as the record date for the determination of shareholders who are entitled to notice of and to vote either in person or by proxy at the Annual General Meeting or at any adjournment or adjournments thereof.

Shareholders who do not expect to attend the Meeting in person are urged to fill in, sign, date and return the enclosed Proxy in the enclosed envelope. The Proxy must be deposited at the office of Guaranty Trust Company of Canada, 401 - 9th Avenue South West, Calgary, Alberta, not less than 48 hours before the time for holding the meeting.

DATED at Calgary, Alberta, Canada, this 1st day of December, A.D. 1981.

BY ORDER OF THE BOARD OF DIRECTORS

Robert M. Ross,  
President



<u>Name and Address</u>	<u>Positions Presently Held</u>	<u>Principal Occupations During Preceding Five (5) Years</u>	<u>Number of Common Shares Beneficially Owned as of Nov. 12, 1981</u>
Robert Morris Ross, 4511 - 14A Street S.W. Calgary, Alberta	Director & President	President, Stikine River Mines Ltd., 1965-69; President Clearport Holdings, 1961-81; Director, Ace Explosives Limited, 1967-78.	737,846
Harold Lawrence Farney, 4239 Britannia Drive Calgary, Alberta	Director & Vice-President	President, Farney Exploration Ltd., merged with Teledyne 1965; President, Quinn-Farney Ltd., 1965-81; President, Ace Explosives Ltd. 1967-78.	90,408
Edward J. Baltrusaitis, Seebe P.O. Alberta	Director	Geologist and Exploration Manager, Gulf Oil Corporation, 1952-54; Exploration Manager, Dome Petroleum Ltd., 1958-65; Independent Oil and Gas Consultant, 1965-81.	44,608

#### REMUNERATION OF OFFICERS AND DIRECTORS

The aggregate remuneration paid to all directors and senior officers of the Company, as a group, including the five highest paid employees, during the Company's last completed financial year by the Company and its subsidiaries whose financial statements are consolidated with those of the Company is set forth as follows:

<u>Aggregate Remuneration</u>	<u>Estimated Annual Benefits Upon Retirement</u>	<u>Options to Purchase Securities</u>
92,493.26	NIL	NIL

#### APPOINTMENT OF AUDITORS

The Shareholders will be asked to vote for the appointment of Miller, McClelland & Co. as Auditors of the Company for the fiscal year ending June 30, 1982.

#### OTHER BUSINESS

Management knows of no other business which is likely to be brought before the meeting other than that which is set forth in items 1, 2, 3 and 4 of the notice thereof. If however, any other business should properly be presented to the meeting, the persons named in the accompanying form of Proxy will vote the Proxy in accordance with their best judgement on such matters and the Proxy confers such discretionary authority.

BY ORDER OF THE BOARD OF DIRECTORS

Robert M. Ross,  
President.

DATED this 1st day of December, 1981 A.D.  
Calgary, Alberta, Canada

## TO THE SHAREHOLDERS:

Our cover shows the eight flags that have flown over Milk River, Alberta during the past three hundred years. In the Oil Industry we are now experiencing a great number of Government changes, both from the Provincial level on regulations and from the Federal Department. Royalties have been increased and new taxes levied on oil and gas production. The escalation in gas prices, as brought about by the National Energy Board, have caused the importing Company, Montana Power, to discontinue their operation in Alberta. Accordingly, their entire Canadian system has been offered for sale, including the wells, gathering system and pipeline.

Clearport, with many other small Canadian companies, have found it necessary to look at the U.S. for better economic objectives. Towards this end our company has been established in the United States as Clearport Petroleum Inc., a wholly owned subsidiary of the Canadian Limited Company. We are presently undertaking a geological study in the State of Montana. This is being carried out by an eminent Geologist with many years of experience in that State.

Clearport has participated in one exploration test in the State of Montana this year and, to date have participated in the drilling of one well in the State of Kansas. Clearport, with a consortium of companies have now acquired several large tracts of land in the State of Kansas, comprising near 30,000 acres. It is the intention to drill 40 wells on this land over the next eighteen months. All prospects are located in that part of the State where deep drilling is required. Each one of these tests shall be carried down to the Ordovician, the prime objectives being members of the Permian, Mississippian and Ordovician Age.

The National Energy Board fixed a gas price at the Alberta Border of \$4.94 U.S., per thousand cubic feet. Our Company, Clearport, have been selling privately and publicly to the Canadian Montana Gas Company since 1961. Gas is presently selling in the State of Montana for \$1.75 to \$2.50 per thousand cubic feet, dependent upon whether or not same is

compressed. Accordingly, it can be understood how the Montana Power Company are unable to deal with the new high price put on Canadian Gas.

We have been advised that the gas now presently shut-in in this area of Southern Alberta can eventually be marketed in the State of New York. Montana Power have advised us that a contract has been arranged with the Tennessee Gas Transmission Company to deliver them gas at the Port of Niagara, Ontario. This contract is to commence on, or about the first of November, 1982 and will call for some ten billion cubic feet of gas per year. It shall be a reasonable undertaking to turn the Canadian Montana Gas Ponderay system around and tie this production to Trans Canada Pipeline, that Company, being the final carrier to the Eastern market.

Clearport has several offset prospects to drill and it is believed that the new Oil Pricing Agreement shall assist in this operation, provided of course our lands fall in the area which qualify for New Oil according to the amended regulations. We, together with a consortium of companies, during late August of 1981, drilled a Mississippian Test in the Drumheller, Alberta area. This well was successfully completed as a gas well and tested approximately nine million cubic feet per day. Pressures have indicated an undepleted reservoir. Also, in this area of Alberta, we have carried out seismic exploration which now has led us to the selection of an exploration location. This partnership well shall be carried down as a test of the Devonian and could certainly assist Clearport greatly if New Oil were to be discovered in this most accessible location.

Clearport took over the operation of Rosshaven in June of 1981. It has been necessary to make some changes and modification on this gas plant. It is presently the intent of the Company to drill one further development well in a section of land held to the immediate west of our production in this area of Rosshaven, Alberta.



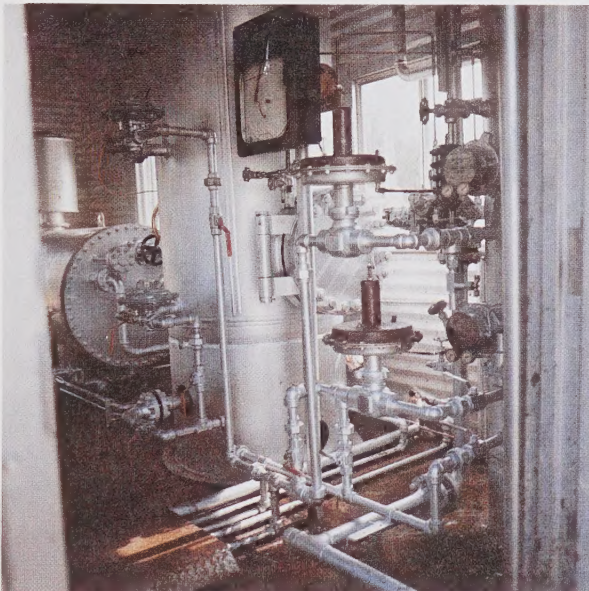


Rosshaven Storage Tanks.

Clearport Petroleums Glenora 14-8-55-3 W3  
August 1981



Gas Plant and Chiller



Inside view Gas Plant, Rosshaven

Clearport Petroleums Glenora 14-8-55-3 W3  
August 1981

It is our view that Canada must discontinue the political bickering and assert itself towards the discovery of new sources of oil and gas energy. In our opinion, the time is rapidly approaching when Canada should be reliant entirely upon her own supply of energy to meet the Dominion demands. Therefore, political and financial aspirations must be set aside and full consideration given to the task of exploration and development which will bring about a complete fulfillment of the energy needs.

Respectfully submitted,

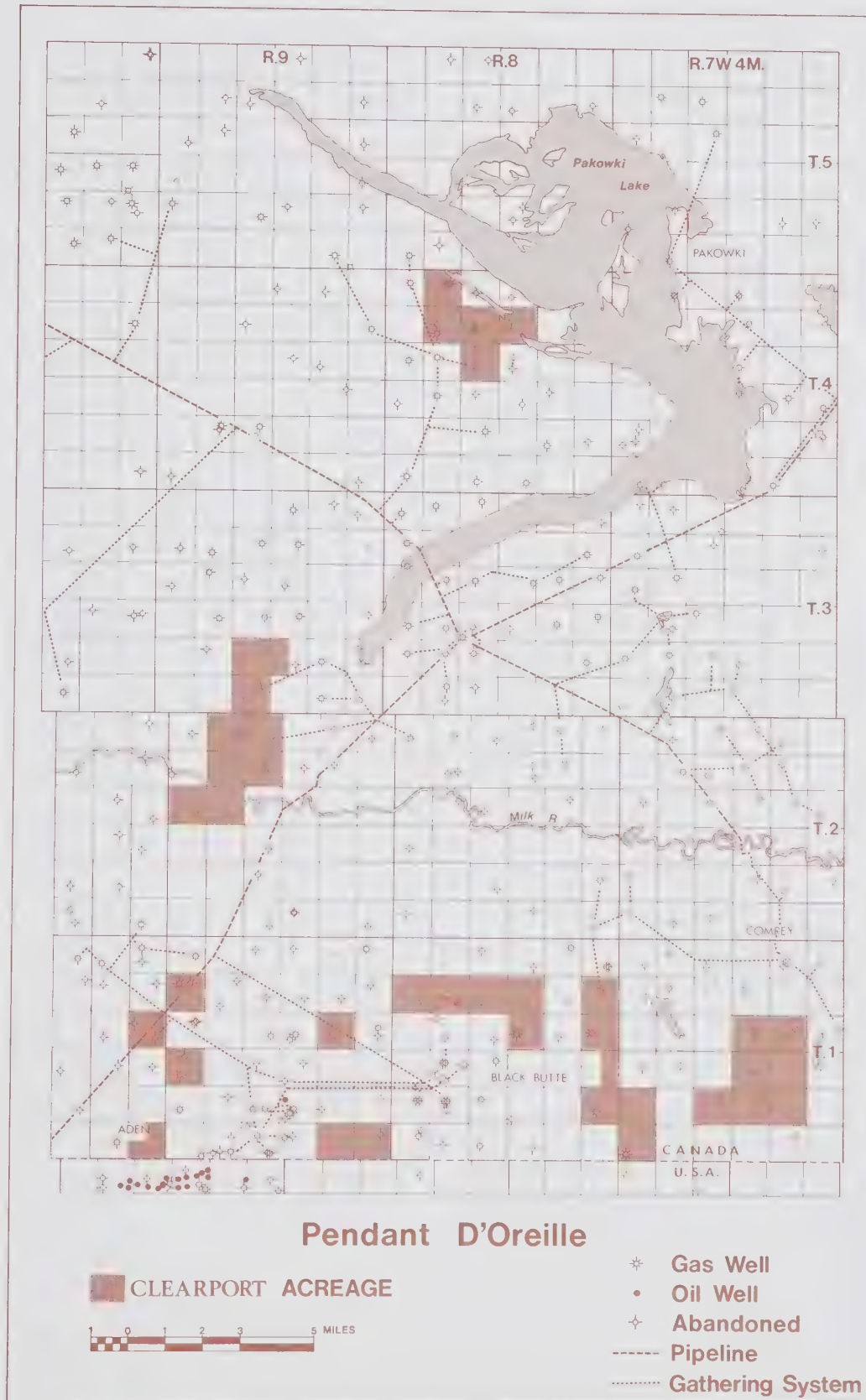
Robert M. Ross,  
President



# OPERATIONS







CALGARY CANADA  
**CLEARPORT  
 PETROLEUMS LTD.**  
 DRUMHELLER AREA  
 PROGRESS REPORT JULY 1981

LEGEND

- |  |                    |  |                      |
|--|--------------------|--|----------------------|
|  | COMPANY<br>ACREAGE |  | PIPELINE             |
|  | GAS WELL           |  | PROPOSED<br>PIPELINE |
|  | OIL WELL           |  | OIL RIG<br>DRILLING  |
|  | OIL & GAS          |  | GAS PLANT            |
|  | DRY HOLE           |  | WOODLANDS            |





CALGARY, CANADA

# CLEARPORT PETROLEUMS LTD.

ROSSHAVEN LAC STE.-ANNE AREA



## OIL AND GAS WELLS

The following is a summary of the Company's interests in oil and gas wells:

ALBERTA	Gross Number of Wells	Percentage Interest	Status
Aden .....	1	15.00	Producing gas
Black Butte .....	1	7.5	Producing oil
	1	2.25	Shut-in gas
	2	10.78	Shut-in gas
	1	17.812	Shut-in gas
	1	35.625	Shut-in gas
Bantry .....	2	2.00	Shut-in gas
Comrey .....	1	3.00	Shut-in gas
	1	6.00	Shut-in gas
	1	50.00	Shut-in gas
Drumheller .....	1	50.00	Shut-in gas
	1	17.39	Shut-in gas
	1	12.50	Shut-in oil
Lait .....	1	95.71	Producing gas
	2	30.00	Producing gas
Manyberries .....	1	2.00	Shut-in gas
Pendant d'Oreille .....	3	25.00	Producing gas
	1	50.00	Producing gas
	1	62.50	Producing gas
	1	65.00	Producing gas
	2	25.00	Shut-in gas
	2	62.50	Shut-in gas
	1	84.00	Shut-in gas
Rosshaven .....	1	50.00	Producing gas
	1	50.00	Producing gas

A summary of the Company's net share of proved and probable additional reserves is shown below as well as the future net revenue, undiscounted and discounted at 15 percent.

### COMPANY SHARE

	REMAINING NET GAS RESERVES		REMAINING NET OIL RESERVES		CASH FLOW Undis- counted    Discounted @ 15%		FAIR MARKET VALUE
	E <sup>3</sup> m <sup>3</sup>	(MMcf)	m <sup>3</sup>	(Stb)	M \$	M \$	M \$
Proved — Producing .....	84 150	2,987	5 343	33,623	10,835	4,138	
Proved — Non-Producing .....	129 464	4,595	—	—	22,777	3,685	
Proved — Undeveloped .....	21 964	779	—	—	3,959	617	
Probable — Additional .....	20 181	717	—	—	3,812	564	
Undeveloped Lands .....	—	—	—	—	—	—	1,017
TOTAL .....	255 759	9,078	5 343	33,623	41,383	9,004	1,017



**ACREAGE**

The following table summarizes the working interests in petroleum and natural gas rights of the Company:

<b>ALBERTA</b>	GROSS AREA	NET COMPANY
		ACRES
Comrey .....	8,320	3,088
Black Butte .....	2,560	784
Aden Field .....	1,760	1,216
Lait .....	1,920	1,576
Knappen .....	800	360
Coutts .....	960	480
South Pendant d'Oreille .....	6,080	2,680
Manyberries .....	640	12.8
South Pakowki Lake .....	640	320
Pakowki Lake .....	3,200	1,673
Atlee Buffalo .....	960	480
Drumheller .....	1,760	880
Aerial .....	320	160
Michichi .....	160	160
Fenn Big Valley .....	800	800
Bonnie Glenn .....	160	8
Bittern Lake .....	640	320
Lloyd Lake .....	1,440	720
Pembina .....	4,320	2,720
Pembina Bigoray .....	960	480
Rosshaven .....	1,244.4	622.2
Swan Hills .....	8,800	2,933
West Swan Hills .....	640	320
TOTAL .....	49,084.4	22,793.0

## CLEARPORT PETROLEUMS LTD.

## CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED JUNE 30, 1981  
(with prior year's figures for comparison)

REVENUE	<u>1981</u>	<u>1980</u>
Production and administration .....	\$522,007	\$365,457
Less: Towns' royalties .....	<u>154,512</u>	<u>127,443</u>
	367,495	238,014
Interest and other .....	6,944	878
Incentive bonus .....	<u>2,801</u>	<u>2,117</u>
	<u>377,240</u>	<u>241,009</u>
EXPENSES		
Administration .....	363,350	204,485
Depletion .....	60,435	28,760
Depreciation .....	25,569	5,811
Lease and surface rentals .....	<u>3,958</u>	<u>2,581</u>
	<u>453,312</u>	<u>241,637</u>
Loss from operations .....	(76,072)	(628)
OTHER INCOME		
Gain on sale of lease .....	<u>10,185</u>	<u>19,400</u>
Income (loss) before income taxes .....	<u>(65,887)</u>	<u>18,772</u>
INCOME TAXES		
Deferred .....	3,800	11,200
Royalty Tax Credit .....	<u>(38,628)</u>	<u>(32,073)</u>
	<u>(34,828)</u>	<u>(20,873)</u>
NET INCOME (LOSS) FOR THE YEAR .....	<u>\$ (31,059)</u>	<u>\$ 39,645</u>

See accompanying notes



## CLEARPORT PETROLEUMS LTD.

## CONSOLIDATED STATEMENT OF RETAINED EARNINGS

FOR THE YEAR ENDED JUNE 30, 1981  
(with prior year's figures for comparison)

	<u>1981</u>	<u>1980</u>
Retained earnings (deficit), beginning of year .....	\$ 39,106	\$ (539)
Net income (loss) for the year .....	<u>(31,059)</u>	<u>39,645</u>
Retained earnings, end of year .....	<u>\$ 8,047</u>	<u>\$ 39,106</u>
Earnings (loss) per share before deferred taxes .....	(1.44)¢	2.7¢
Earnings (loss) per share after deferred taxes .....	<u>(1.64)¢</u>	<u>2.1¢</u>

See accompanying notes

## CLEARPORT PETROLEUMS LTD.

(Incorporated Under the Laws of Alberta)

## CONSOLIDATED BALANCE SHEET

AT JUNE 30, 1981

(with June 30, 1980 figures for comparison)

## ASSETS

	<u>1981</u>	<u>1980</u>
CURRENT		
Cash .....	\$ 48,224	\$ 30
Accrued interest receivable .....	146	146
Accounts receivable (Note 6) .....	153,550	107,871
Alberta royalty tax credit .....	38,628	49,999
Prepaid lease rentals .....	<u>4,823</u>	<u>2,290</u>
	<u>245,371</u>	<u>160,336</u>
DEFERRED PROFIT SHARING PLAN		
(Note 5) .....	<u>11,840</u>	<u>7,770</u>
PROPERTY, PLANT AND EQUIPMENT		
(Notes 1 and 2) .....	<u>1,404,653</u>	<u>1,174,658</u>
OTHER, at cost		
Incorporation costs .....	991	991
Drilling deposit .....	10,000	10,000
Notes receivable (Note 3) .....	—	66,050
Investment .....	<u>5</u>	<u>5</u>
	<u>10,996</u>	<u>77,046</u>
	<u>1,672,860</u>	<u>1,419,810</u>

ON BEHALF OF THE BOARD:

ROBERT M. ROSS, Director

HAROLD L. FARNEY, Director

See accompanying notes



## CLEARPORT PETROLEUMS LTD.

(Incorporated Under the Laws of Alberta)

## CONSOLIDATED BALANCE SHEET

AT JUNE 30, 1981

(with June 30, 1980 figures for comparison)

## LIABILITIES

	1981	1980
CURRENT		
Cheques issued in excess of bank balance .....	\$ —	\$ 14,535
Bank loan (Note 6) .....	122,000	200,000
Accounts payable .....	271,540	102,766
	<u>593,540</u>	<u>317,301</u>
DEFERRED PROFIT SHARING LIABILITY .....	11,840	7,770
DEFERRED INCOME TAXES (Note 1) .....	59,000	55,200

## SHAREHOLDERS' EQUITY

## SHARE CAPITAL

## Authorized

5,000,000 shares with no par value,  
maximum consideration \$5,000,000

## Issued

1,888,103 shares .....	1,022,453	1,022,453
Less: Commission paid .....	<u>22,020</u>	<u>22,020</u>
	1,000,433	1,000,433
RETAINED EARNINGS .....	<u>8,047</u>	<u>39,106</u>
	<u>1,008,480</u>	<u>1,039,539</u>

\$1,672,860\$1,419,810

See accompanying notes.

## CLEARPORT PETROLEUMS LTD.

## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED JUNE 30, 1981  
(with prior year's figures for comparison)

	<u>1981</u>	<u>1980</u>
SOURCE OF WORKING CAPITAL		
Operations		
Net income (loss) for the year .....	\$ (31,059)	\$ 39,645
Items not representing a change in working capital		
Depletion and depreciation .....	86,004	34,571
Deferred income taxes .....	3,800	11,200
Gain on sale of lease .....	<u>(10,185)</u>	<u>(19,400)</u>
Working capital provided from operations .....	48,560	66,016
Proceeds from sale of lease .....	15,000	20,000
Notes receivable repaid .....	<u>66,050</u>	<u>—</u>
	<u>129,610</u>	<u>86,016</u>
APPLICATION OF WORKING CAPITAL		
Purchase of fixed assets		
Exploration and development costs .....	213,001	79,454
Acquisition of leases .....	20,123	12,220
Equipment .....	12,453	55,557
Lease rentals on non-producing properties .....	17,392	20,826
Pipeline .....	901	110,410
Hydrocarbon Dew Point Control .....	<u>56,944</u>	<u>—</u>
	<u>320,814</u>	<u>278,467</u>
DECREASE IN WORKING CAPITAL .....	191,204	
	192,451	
(WORKING CAPITAL) DEFICIENCY, beginning of year .....	<u>156,965</u>	<u>(35,486)</u>
WORKING CAPITAL DEFICIENCY, END OF YEAR .....	<u>\$ 348,169</u>	<u>\$ 156,965</u>

See accompanying notes



## CLEARPORT PETROLEUMS LTD.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 1981

## 1. ACCOUNTING POLICIES

- The consolidated financial statements include the accounts of the company and its wholly-owned subsidiary, Clearport Petroleum, Inc.
- The Company follows the full cost method of accounting for oil and gas whereby all costs of exploring for and developing oil and gas and related reserves are capitalized.
- The Company follows the practice of depleting and depreciating its assets according to the rates set out in Note 2. The depletion rate of 4.51% represents the percentage that production is of total proven reserves. All equipment, pipelines and furniture and fixtures are depreciated on the straight-line method.
- The Company follows the tax allocation method for recording corporate income taxes for all timing differences between accounting and the taxable income.

## 2. PROPERTY, PLANT AND EQUIPMENT

The following is a summary of the cost of property, plant and equipment and the related accumulated depreciation and depletion.

	Rate	Cost	Accumulated Depreciation and Depletion	Net Book Value	
				1981	1980
Petroleum & Natural Gas Leases .....	4.51%	\$ 321,919	\$ 54,811	\$267,108	\$264,052
Exploration & Development .....	4.51%	1,012,753	214,122	798,631	624,235
Administration Costs .....	4.51%	49,142	22,565	26,577	28,778
Lease Rentals on					
Non-Productive Properties .....	4.51%	116,381	14,791	101,590	91,576
Wellhead Equipment .....	10.00%	26,006	5,722	20,284	10,553
Furniture & Fixtures .....	10.00%	9,173	6,374	2,799	3,592
Dehydrator .....	10.00%	32,825	3,830	28,995	32,278
Pipeline .....	10.00%	111,311	12,971	98,340	108,570
Hydrocarbon Dew Point Control .....	10.00%	56,944	5,694	51,250	—
Automotive Equipment .....	15.00%	12,970	3,891	9,079	11,024
		<u>\$1,749,424</u>	<u>\$344,771</u>	<u>\$1,404,653</u>	<u>\$1,174,658</u>

## 3. NOTES RECEIVABLE

Under the terms of the stock purchase plan, the Company agreed to loan to the officers and employees, interest free, an amount sufficient to purchase the shares. These loans were secured by promissory notes.

## 4. DIRECTORS AND OFFICERS

As at June 30, 1981 the Company had three directors and two officers, all of the officers also being directors of the Company.

The remuneration of the President amounted to \$75,000 for the year ended June 30, 1981.

## 5. DEFERRED PROFIT SHARING PLAN

A deferred profit sharing plan was approved by the Board of Directors on June 13, 1978. During the year \$3,500 was transferred to a separate bank account and invested in a term deposit, in accordance with the terms of the plan.

6. BANK LOAN

The bank loan is secured by a registered general assignment of book debts and an assignment of the proceeds of production and gas sales contracts.

BUSINESS INVESTMENT TAX CREDITS

At June 30, 1981 the Company had accumulated \$15,606 in business investment tax credits which are available to reduce federal income taxes payable in future years until:

1985 .....	10,694
1986 .....	<u>4,912</u>
	<u>15,606</u>

7. RELATED PARTY TRANSACTIONS

Related party interests held in properties owned by the Company are as follows:

PROPERTY	CLEARPORT HOLDINGS LTD.	R. M. ROSS
Producing Wells		
6-23-1-9 W4th .....	50%	
10-3-1-9 W4th .....	—	10% to payment, reverting to 5%
11-30-1-9 W4th .....	—	5%
6-18-1-9 W4th .....	—	10%
Non-Producing Properties		
5.W/4-9-49-9 W5th .....	5%	—
5.W/4-15-50-9 W5th .....	5%	—
Sec. 6-4-6 W4th .....	10%	—
Dew Point Control System .....	—	41.5%

Additionally, the Company leases furniture from Clearport Holdings Ltd. at an annual cost of \$1,000.00.

8. EXPLORATION COMMITMENTS

Under an agreement dated April 30, 1981 the Company is committed to expend \$250,000, plus 7% administrative fees, in a Kansas Joint Venture. To June 30, 1981, \$129,005 had been expended.



**AUDITORS' REPORT**

To the Shareholders of  
Clearport Petroleum Ltd.

We have examined the consolidated balance sheet of Clearport Petroleum Ltd. at June 30, 1981 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the consolidated financial position of the Company as at June 30, 1981 and the consolidated results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the previous year.

Calgary, Alberta  
November 9, 1981

MILLER, McCLELLAND & CO.  
Chartered Accountants

**OFFICERS and DIRECTORS**

Robert M. Ross,  
President & Director

Edward J. Baltrusaitis  
Director

Harold L. Farney,  
Vice-President, Secretary-Treasurer & Director

**TRANSFER AGENTS AND REGISTRAR**

GUARANTY TRUST COMPANY OF CANADA  
401 - 9th Avenue South West, Calgary, Alta.

**SOLICITORS**

MACLEOD DIXON  
1500 Home Oil Tower  
Toronto-Dominion Square  
Calgary, Alberta

**BANKERS**

THE TORONTO-DOMINION BANK  
2 Calgary Place, 340 - 5th Ave. S.W.

**AUDITORS**

MILLER, McCLELLAND & CO.  
1603 -10th Avenue S.W.  
Calgary, Alberta  
T3C 0J7

**HEAD OFFICE**

522, 550 - 6th Ave. S.W.  
Calgary, Alberta  
T2P 0S2

**LISTED**

ALBERTA STOCK EXCHANGE  
201, 500 - 4th Ave. S.W.  
Calgary, Alberta

**TRADING SYMBOL**

**C.P.R.**











